27 July 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence

25X1 FROM: [ ]

Chairman, DCI Committee on Compartmentation

SUBJECT: DCI Committee on Compartmentation Final Report

1. This is the final report of the DCI Committee on Compartmentation (COCOMP), an Intelligence Community body formed by the DCI on 5 March 1981 to review the potentially beneficial aspects of the disestablished APEX Control System. Appendix A is the status of Issues at termination of the COCOMP, and Appendix B consists of policy statements developed by the COCOMP and approved by the DCI or DDCI. [ ]   25X1

2. Summary. The COCOMP identified 22 items as meriting consideration for adoption as improvements in the security management of Sensitive Compartmented Information (SCI) without a formal APEX structure. Of these, 12 have been resolved and the necessary action taken; one has been considered by the NFIB and is awaiting DCI or DDCI decision; three are awaiting National Foreign Intelligence Board (NFIB) consideration; and six are subject to continuing action by other committees or by an executive agent. The most significant actions include the development of a computerized system to electronically record and certify SCI access approvals throughout the Intelligence Community; the formulation of improved nondisclosure agreements providing for prepublication review of publications by persons granted access to SCI; revision of the physical security rules for protection of SCI; adoption of a community policy regarding SCI contractors subject to foreign ownership, control or influence; and updating of SCI system regulations, including provisions to facilitate the decompartmentation or sanitization of certain products of national intelligence collection systems. [ ]   25X1

3. Background. The APEX System, developed by an NFIB Working Group and authorized by PD/NSC-55, dated 10 January 1980, was intended to replace the several extant SCI systems with a single system. The stated objectives of APEX, in addition to a single SCI system, were better dissemination of intelligence information and tighter restrictions on intelligence requiring compartmentation. The APEX System involved dividing SCI into Operational Compartments, Operational Sub-compartments, Product Compartments, and [ ]-a very tight dissemination   25X1
control for especially sensitive information. In addition to the basic   25X1

structure, APEX envisaged a number of more specific changes, such as a computer-operated Central Access Registry to record SCI access approvals, extensive decompartmentation of PHOTINT and ELINT products, a standard community-wide Nondisclosure Agreement, and common community security policy manuals and administrative procedures handbooks. ☐　　25X1

4. APEX encountered many difficulties. Objections were raised to a single system on the grounds that it posed a serious counterintelligence risk. Members of Congress were apprehensive over the effect of ☐ on 25X1 their access to information. The DoD estimated the resource cost for implementation of APEX at about 1,000 new positions and $200 million, even though some portion of the resources would have provided for functions required with or without APEX. The costs and difficulties of fitting COMINT into the APEX structure were perceived as overwhelming and unnecessary. The single structure of APEX was held to abrogate certain international agreements. The number of problems and their impact grew as the implications of APEX were considered throughout the community.

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5. For planning purposes, the DCI set 1 January 1981 as the APEX start-up date subject to an NFIB review in the fall of 1980. On 24 November, the NFIB members convinced the DCI that a 1 January start-up was unrealistic, that no date could then be established and that the system should be reconsidered. On 12 January 1981, NFIB members expressed the view to the DCI that APEX should be abandoned but that the "good things" 25X1 in it should be preserved. ☐

6. The APEX Salvage Effort. As a result of the 12 January 1981 NFIB meeting, the APEX effort changed direction.

-- On 5 March 1981, the DCI suspended the APEX implementation effort and established the Committee on Compartmentation (COCOMP) with the mission of salvaging those parts of APEX that would be beneficial and that could be implemented in reasonable time without major new resource requirements.

-- On 12 March 1981, Admiral Inman (as Acting DCI) requested Presidential action to rescind that part of PD/NSC-55 which directed creation of APEX.

-- On 29 June 1981, the Assistant to the President for National Security Affairs rescinded the implementation of the APEX 25X1 System. ☐

7. The COCOMP, comprising the membership of the former APEX Steering Group, reviewed the specifics of the NFIB members' desire to preserve the "good things" in APEX. Some 22 items were determined to be worthy of reexamination in a non-APEX context. These items and their disposition are described in Appendix A. ☐　　25X1

8.   As of 27 July, 12 of these issues have been resolved. Appendix B consists of resulting policy statements, which will be incorporated into DCID 1/19, Uniform Procedures for Administrative Handling and Accountability of SCI. The COCOMP has completed work on four issues which are awaiting final action. Three of them--Issue #13, decompartmentation of imagery; Issue #14, expansion of the process of decompartmentation of ELINT; and Issue #20, improved nondisclosure agreements for government and contractors-- have been reviewed by the NFIB, and the DDCI will recommend final action to the DCI or take the necessary action. The fourth issue, #4, general SCI approval for collateral duty respondents, is awaiting NFIB review.

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9.   Six issues require additional work, although COCOMP action on them has been concluded. They are:

Issue #2 - Uniform application of personnel security rules-- DCID 1/14, Minimum Personnel Security Standards and Procedures Governing Eligibility for Access to SCI, is being revised under the auspices of the DCI Security Committee (SECOM).

Issue #6 - Congressional access policy--A uniform policy has been drafted regarding access to SCI by staff employees of the congressional leadership and committees, the Library of Congress, and General Accounting Office. The CIA Legislative Liaison Branch is coordinating with staffs of the intelligence oversight committees.

Issue #11 - Review procedures for SCI document control and accountability--E.O. 12065, which is under revision, provides the underpinning for rules on document control. COCOMP input on needs for change have been provided to the CIA Office of General Counsel for consideration by the interagency group working on revision of the Executive Order.

Issue #12 - Develop the Community-wide Special Access Registry (4C)--Development of a computerized system for electronically recording and certifying SCI access approvals is proceeding well. The new system has replaced the CIA register of access approvals and will be extended to the Community in the fall of 1982. The Office of Security, CIA, serves as executive agent for this service of common concern.

Issue #15 - Facilitate the increase in sanitization of COMINT and increase the ease with which COMINT can be sanitized--An update of the rules for sanitizing COMINT will be accomplished through the provisions of the Signals Intelligence Security Regulation, Part I (SISR I). Drafting of SISR I is being done by the DCI SIGINT Committee.

Issue #22 - SCI Security Manual--Drafting and coordination of a manual incorporating those policies common to all SCI control systems has been assigned to the SECOM.   25X1

10. Conclusions. The APEX experiment did not produce a single system of compartmentation. It did produce a significant effort by the Community to review, improve and make more coherent the security of the several SCI systems. It revealed considerable agreement that standardized SCI security practices are a desirable goal, and that variations in procedure not firmly based upon functional necessity may be counter-productive. Differences in procedure which exist simply because the SCI systems developed separately and without coordination result in confusion and error by those who must implement them. The differences among those who operate collection systems, those who produce finished intelligence, and those who use intelligence are not susceptible to a lasting solution. Maximum security and maximum utilization of intelligence will remain antithetical. Nevertheless, the movement toward uniformity of security policies and procedures has shown progress. More can be achieved, but the effort is likely to die unless positive steps are taken to keep it alive.

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11. Recommendation. The COCOMP is concerned that the dialogue and coordination among the various SCI control systems afforded by the SA/DCI/C and COCOMP will cease with their deactivation, and the development of SCI security policy will resume in separate and diverging ways. While special consideration must be given to the unique operational and technological characteristics of individual systems, it is also true that there are common characteristics which are amenable to uniform treatment. The COCOMP believes that reasonable uniformity remains a desirable goal. The COCOMP recognizes a special coordination need and has discussed several options by which the momentum could be maintained. The majority less NSA, CIA and the Chairman, SIGINT Committee, recommends the Security Committee be designated to perform this function.* The COCOMP believes it is essential that the responsible

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*The Chairman, SIGINT Committee, believes that present institutional arrangements for the provision of guidance concerning compartmentation can be both responsive and adequate to the needs of the Community. The chairmen of the substantive committees are directly responsible to the DDCI for recommending proper compartmentation of sensitive intelligence information. While philosophically compartmentation may be seen by some as a subelement of the general field of security, in practice compartmentation decisions require a level of expertise which exists only in the substantive committees. The placement of another institution or individual between these committees and the DDCI can only serve to complicate the creation of technically adequate compartmentation guidelines. Therefore, the Chairman, SIGINT Committee, does not believe that this is an appropriate recommendation.

The CIA member believes that compartmentation matters which are likely to require special coordination as often as not transcend the areas of responsibility of any of the DCI Committees, including the Security Committee. Such matters should be brought to the attention of the DDCI who will assign coordination responsibility.

body have a direct channel to the DCI and/or the DDCI. The Committee is convinced that whatever success the COCOMP has had is attributable to the timely and effective response by the DDCI to the various issues.

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12. Members of the COCOMP submitting this report are:

Maynard Anderson	Office of the Secretary of Defense
	Defense Intelligence Agency
	National Security Agency
Merrill T. Kelly	Department of the Army
Richard L. Welch	Department of the Navy
Roger D. Smith	Department of the Air Force
	Office of the Secretary of the Air Force
Donald W. Stigers	Department of State
James L. Butts	Federal Bureau of Investigation
	Central Intelligence Agency
	COMIREX
	SIGINT Committee
	Security Committee

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Attachments:
   Appendix A & Appendix B

25X1   SA/DCI/C[   ] (27 July 81)

Distribution:
   Orig - Addressee
      2 - SA/DCI/C
      1 - Executive Registry
      1 - William P. Deary, INR/State
      1 - Donald W. Stigers, INR/State
      1 - Richard L. Welch, Navy
      1 - Maynard Anderson, OSD
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      1 - Merrill T. Kelly, ACSI
      1 - Col. Robert A. Shiver, USAF
25X1 1 -   NSA
      1 - James L. Butts, FBI
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25X1 1 -   hairman, SIGINT Committee
      1 -   hairman, COMIREX
      1 -   irector of Security
      1 -   S/NFAC
      1 -
      1 -   ECOM
      1 -   RO

APPENDIX A

TO FINAL REPORT OF COCOMP

STATUS OF ISSUES

AT TERMINATION OF THE COCOMP

27 July 1981

<u>Status of Issues at Termination</u>
<u>of the</u>
<u>DCI Committee on Compartmentation</u>

1. <u>Standard uniform physical security rules for Sensitive Compartmented</u>
<u>Information (SCI)</u>:

   In concert with the review of SCI security by the Committee on
Compartmentation (COCOMP), the DCI Security Committee (SECOM)
revised the standards for construction and protection of facilities
accredited to receive and utilize SCI. The revision was concurred
in by NFIB, and was issued by the DCI as the <u>U.S. Intelligence</u>
<u>Community Physical Security Standards for Sensitive Compartmented</u>
<u>Information Facilities</u>, dated 23 April 1981. The COCOMP also
reviewed joint utilization of SCI facilities and encouraged coopera-
tion among joint users in sharing the workload of conducting the
required inspections of facilities.

25X1   Action completed. ☐

2. <u>Uniform Application of Personnel Security Rules for SCI</u>:

   DCID 1/14 establishes the personnel security criteria for
access approval for SCI. The DCI Security Committee (SECOM) is
reviewing the directive. Adoption of a standard personal history
statement for persons being processed for SCI approval also is
being studied.

25X1   Action continues in SECOM. ☐

3. <u>Delegation of authority (from DCI to SIOs) to grant SCI access</u>
<u>approvals</u>:

   The authority to approve SCI accesses was reviewed by the
Committee on Compartmentation (COCOMP). No consensus could be
reached on changes, with collectors wanting to retain at least
their existing authorities and consumers wanting delegations of
authority for all SCI approvals. On 3 June 1981 the DDCI confirmed
that the status quo would be retained, with approval authority
continuing to be vested in the cognizant SIOs or Program Managers
of the several systems. Concurrently, the DDCI removed the pre-
viously imposed ceilings on SCI access approvals. The DCI is to be
kept apprised of total numbers of approvals and will monitor
implementation of the delegated authority.

25X1   Action completed. ☐   25X1

4. <u>General Access to SCI:</u>

The COCOMP proposed that personnel who work on the periphery of compartmented activities and require physical access to accredited SCI facilities but do not require substantive access be granted general, non-substantive approvals. This would avoid needless indoctrinations on sensitive intelligence matters, while ensuring that such individuals meet DCID 1/14 personnel security criteria and sign nondisclosure agreements. The COCOMP unanimously recommended adoption of an approval called [   ] for collateral duty respondents whose function requires them to work in an environment with a high degree of risk of inadvertent access to SCI, but have no need-to-know substantive information. The DDCI approved referring the issue to NFIB for discussion prior to DCI decision. 25X1

NFIB discussion and DCI decision are pending. [   ] 25X1

5. <u>Policy concerning access to SCI by contractors subject to foreign ownership, control or influence:</u>

Contractors and consultants of Intelligence Community departments and agencies may be provided access to SCI information as required on a direct need-to-know basis provided in and limited by DCID 1/7. Contractor companies that are under foreign ownership, control, or influence will generally be ineligible for access to SCI activities and information. A waiver may be granted by the DCI or Intelligence Community SIOs, however, if that ownership, control, or influence does not involve a Communist-controlled country and the foreign interests own less than five percent of the contractor's voting stock and such minority holdings do not enable the foreign interest to control the appointment and tenure of the contractor's SCI-approved managing officials. This Community-wide policy was promulgated by the DDCI on 21 April 1981. While similar policies have been followed by various agencies, they had not been codified previously for the Community.

25X1 Action completed. Statement to be included in DCID 1/19 when reissued. [   ]

6. <u>Uniform Policy on Legislative Branch Access to SCI:</u>

The COCOMP drafted uniform Community-wide procedures regarding SCI access approvals for staff employees of the Congressional leadership and committees, the Library of Congress and the General Accounting Office. Members of Congress receive access to SCI without a formally established access approval. The CIA Legislative Liaison Branch (LLB) is coordinating this matter with the staffs of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.

25X1 LLB coordination continues. [   ]

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7. Decentralization of Authority (from DCI to SIOs) to Accredit SCI Facilities:

       The SIOs of the Intelligence Community are responsible for ensuring that SCI facilities (SCIFs) meet prescribed physical security standards for the receipt, storage and use of SCI materials. DCID 1/19 provides that the DCI will accredit all SCIFs except where that authority has been specifically delegated. A proposal was made in the COCOMP to authorize all SIOs to accredit SCIFs for all compartmented control systems. After considering the proposal on 9 June 1981, NFIB and the DDCI recommended the status quo be maintained, and the DCI approved.

25X1   Action completed. ☐

8. Separation of operational information (sources & methods) from finished intelligence to the extent possible:

       The COCOMP proposed efforts be made to enhance separation between operational and product information to bring about better protection for the extremely sensitive information contained in operational compartments and reduce the numbers of personnel with complete access to operational data. On 2 April 1981 the DCI issued a policy statement mandating avoidance of the inclusion of source and method information in finished intelligence products.

25X1   Action completed. Statement to be included in DCID 1/19 when reissued. ☐

9. Program Managers and users jointly may develop subcompartments which contain the essential operational data elements for intelligence analysts and planners:

       This proposal was for the formulation of general guidelines for establishing operational subcompartments, requiring the precise identification for inclusion in subcompartments of those specific operational data truly required by analysts, processors, and others whose decisionmaking responsibilities require access to some, but not all, operational data. The DDCI determined on 5 June 1981 that his case-by-case review with Program Managers would be sufficient to determine the need for new subcompartments, and no general guidelines need be issued to the entire NFIB/NFIC.

25X1   Action completed. ☐

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10. Intelligence Community adherence to improvement of compartmentation management:

Concern was expressed that the end of APEX not result in the abandonment of "Sensitive Threshold Criteria for Compartmented Intelligence Product," and in disregard for the need for careful identification of specific elements of information requiring compartmentation. It was proposed that NFIB continue to focus on the careful identification of specific elements of information requiring compartmentation, the use of the "thresholds" developed for APEX to determine what information deserves SCI protection, and refinement, as feasible, of the "thresholds" for each NFIB member's individual program. While the COCOMP could not agree that maintenance of the "thresholds" in a form similar to that in the APEX Final Report was justified, there was limited COCOMP agreement that principles and details governing and defining that information protected by a specific SCI system should be included in system manuals and regulations. The system documentation should also include instructions for decompartmentation, sanitization, or emergency use when these actions are feasible and permissible. On 12 May 1981, the DDCI approved a statement endorsing this principle.

Action completed; statement to be included in DCID 1/19 when reissued. ☐

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11. Review present procedures for SCI document control and accountability:

DoD and most of the Intelligence Community control SCI generally as prescribed in DCID 1/19, which recognizes high volume, high technology, time sensitive, electrically processed and disseminated information. Executive Order 12065 does not recognize that technology and in creating the Information Security Oversight Office, it removed the prior authority of the DCI for document accountability by overriding parts of DCID 1/19. The COCOMP favors withdrawal of infeasible rules for document control and accountability. A proposal was made in COCOMP to update document control rules to provide a practicable approach to the control of both hard copy and electrically produced documents and copies. E.O. 12065 is currently under revision and needs have been identified to the interagency working group through the CIA General Counsel.

Additional action may be required, but will be a function of the text of the revised E.O. Files to be passed to SECOM. ☐

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12. Develop the Community-wide Special Access Registry:

SCI access approvals have been controlled and accounted for by the individual NFIB agencies, who have their own noncompatible recordkeeping systems. Development of a Community-wide, Computer-assisted Compartmentation Control System (4C) to serve as the official data base for control of special accesses involved in sensitive compartmented information (SCI) programs was endorsed by the COCOMP. Progress has been excellent to date on the 4C System. On 29 June 1981, 4C officially replaced the formerly used SPECLE System as the data base for the CIA's SCI access records. That portion of SPECLE not converted to the active 4C system has been placed in the 4C archive. The new system will be extended to the Intelligence Community in the fall of 1982 as a service of common concern. It will electronically record and certify SCI approvals for the community.

Action continues with CIA as executive agent. ☐   25X1

13. Continue expansion of decompartmentation of IMAGERY:

A proposal by DIA to further decrease compartmentation of satellite imagery is awaiting review by the NFIB. DIA subsequently amended its proposal, asking that all satellite imagery be non-compartmented, eliminating the special controls which have existed since the inception of overhead reconnaissance. COMIREX agrees with the expansion of decompartmentation of imagery to meet military requirements through a program of decentralized decompartmentation, while assessing improvements in technology to provide a noncompartmented data stream from origin, and retaining compartmentation of the primary film record.

25X1   The NFIB has reviewed this issue and the DDCI will recommend final action to the DCI. ☐

14. Expansion of the process of decompartmentation of ELINT:

The COCOMP proposed that, to the extent possible, electronic intelligence information provided by the Special Access Programs be decompartmented in accordance with procedures to be drafted by the SIGINT Committee, reviewed by NFIB, and approved by the DCI. The DCI SIGINT Committee has completed the drafting of Part II of a new unified Signals Intelligence Security Regulation (SISR II) dealing with ELINT, FIS, Infrared and Laser Data, which updates the rules for decompartmenting these SIGINT categories.

25X1   The NFIB has reviewed this issue and the DDCI will recommend final action to the DCI. ☐

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15. Facilitate the increase in sanitization of COMINT and increase ease by which COMINT can be sanitized:

The COCOMP endorsed the former APEX requirement that NSA and the SIGINT Committee pursue the sanitization of COMINT, which, it was agreed, would not be decompartmented. The objective was to significantly increase the volume of sanitized or sanitizable COMINT. The DCI SIGINT Committee is drafting Part I of the new SISR, dealing with COMINT. It will update the rules for sanitization of COMINT.

Action by the SIGINT Committee continues. ☐   25X1

16. Decentralization of control for foreign releases of decompartmented satellite imagery and imagery-derived information:

DIA proposed that the Secretary of Defense be delegated the authority to allow the Director, DIA to approve foreign release of decompartmented satellite imagery-derived information and to display decompartmented satellite imagery to foreign governments and international organizations. The DDCI, on 2 July 1981, approved the foreign release of satellite imagery-derived information by the Secretary of Defense through the Director, DIA, but ruled that the DCI will retain authority over the release and/or display of all satellite imagery, per se.

25X1   Action completed. ☐

17. Incremental approach to changes in SCI systems to include required resources and guidance so budgets can be submitted for program consideration:

DIA proposed a policy statement that implementation of changes in SCI systems be coordinated with an assessment of resources required. The form and substance of the proposed policy statement proved difficult to articulate, and the proposal was withdrawn when it was determined to be impossible to specifically define a need for new policy.

25X1   Action completed. ☐

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18. <u>Retain some form of Steering Group and Control Staff to resolve problems/differences in SCI security</u>:

This was a proposal to reconstitute the APEX Steering Group and APEX Control Staff into a mechanism to monitor the security of SCI programs and provide a forum to resolve issues. The DCI Committee on Compartmentation and the Compartmentation Control Staff were formed by the DCI on 5 March 1981 to review the beneficial aspects of the defunct APEX system and make recommendations to implement those items found to be worthy of adoption. The final report of the COCOMP describes the actions taken.

COCOMP action will be completed by 31 July 1981 in accordance with DDCI direction and the Committee and Staff will be dissolved. ☐   25X1

19. <u>Retain permissive compartmented codewords</u>:

The APEX System prohibited the compartmentation of codewords. A proposal was made in the COCOMP to seek a reaffirmation of the DCI statement at the 12 January 1981 NFIB meeting which provided that compartmentation of codewords would be permissive, i.e., cognizant SIOs and Program Managers would be responsible for determining the requirement for compartmenting codewords. The COCOMP was unable to reach a consensus on whether codewords should be compartmented or not. After consideration of the issue, the DDCI on 16 April 1981 approved the status quo, leaving decisions on compartmentation of codewords to cognizant Program Managers or SIOs.

25X1   Action completed. ☐

20. <u>Improved Nondisclosure Agreements for government and contractors</u>:

In order to utilize fully the advantages of the Snepp decision, a nondisclosure agreement (NdA) was developed which provides explicitly for prepublication review of material which might contain SCI. The CIA General Counsel coordinated this issue with the DDCI, and with other Intelligence Community General Counsels. The DDCI consulted the NFIB on 9 June 1981 and found there was general support for the agreement except for OSAF and NSA. The DDCI advised the principals that nondisclosure agreements must apply uniformly to all personnel within each department or agency and that if separate agreements are used they must not undercut other agreements. Final decision by the DDCI on the uniform agreements is pending. The COCOMP has arranged for the printing and dissemination of stocks of the uniform nondisclosure agreement (Form 4193) to the Intelligence Community in accordance with requests received from individual agencies.

25X1   COCOMP action completed. ☐

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21. **Exclusive Product Compartments:**

COMIREX proposed that the imagery product compartment (i.e., TK) should be exclusively for imagery products and not include SIGINT or HUMINT products. The SIGINT Committee's proposal to retain the status quo regarding overhead SIGINT was supported by the COCOMP.

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COCOMP action completed. ☐

22. **SCI Security Manual:**

A manual for all common SCI security policies and procedures, similar to the APEX Security Manual, was proposed by the COCOMP. On 20 May 1981, COCOMP determined that there was community support for such a manual. On 9 June 1981, the DDCI brought the SCI Manual issue before the NFIB and the consensus of the Board favored proceeding with a manual on SCI security policy. The COCOMP approved a table of contents, and a working group was tasked to draft a manual to include security policies which are common to all SCI control systems. It will supplement, not replace, existing and future system manuals. Completion of the draft is being referred to the SECOM.

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SECOM action continues. ☐

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APPENDIX B

TO FINAL REPORT OF COCOMP

POLICY STATEMENTS FOR INCLUSION

IN REVISION OF DCID 1/19

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<u>Intelligence Community adherence to improvement of compartmentation</u>
<u>management.</u>

Policy statement on Compartmentation Management approved by the
DDCI on 12 May 1981 for inclusion in the revision of DCID 1/19:

Principles and details governing and defining that information
protected by a specific SCI system should be included in system
manuals and regulations. The system documentation should also
include instructions for decompartmentation, sanitization, or
emergency use when these actions are feasible and permissible. 25X1

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